

**ALEXANDRIA CITY COURT  
ALEXANDRIA, LOUISIANA**

**SEPTEMBER 30, 2002**

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## Independent Auditors' Report

To the Honorable Judge Richard Starling, Jr.  
Alexandria City Court  
City of Alexandria, Louisiana

We have audited the accompanying basic financial statements of the Alexandria City Court as of and for the year ended September 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of Alexandria City Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Alexandria City Court, at September 30, 2002, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual funds and account groups of the Alexandria City Court, at September 30, 2002, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles in the United States of America.



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Emile P. Oestrieche, III, CPA  
Registered Representative

As described in Note 1 to the basic financial statements, Alexandria City Court adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments*; Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2000. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2003 on our consideration of the Alexandria City Court's internal control over financial reporting and compliance and our tests of its compliance with certain provisions of laws and regulations.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as "Supplementary Data" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Alexandria City Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements of each of the respective individual funds taken as a whole.

OESTRIECHER & COMPANY  
Certified Public Accountants

January 27, 2003

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Alexandria City Court

## Management's Discussion and Analysis

The Alexandria City Court's (ACC) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues (b) provide the reader with an overview of ACC's financial activity, (c) identify changes in the ACC's financial position (its ability to address the next and subsequent year challenges, and (d) identify individual fund issues or concerns.

### Financial Highlights

The ACC has net assets of \$518,374 for Governmental activities as of September 30, 2002.

The ACC received \$405,948 in fees for the fiscal year end and incurred expenses of \$333,605 for governmental activities.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the ACC's basic financial statements. The basic financial statements include: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### *Government-wide Financial Statements*

The ACC's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about ACC's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first government-wide financial statement is the *Statement of Net Assets*. This statement presents all of ACC's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may indicate whether the financial condition of ACC is improving or deteriorating.

The second government-wide financial statement is the *Statement of Activities* which reports how the ACC's net assets changes during the current fiscal year. All current revenues and expenses are included regardless of when cash is received or paid.

Both of the government-wide financial statements report activities that are primarily supported by fees received from the Alexandria City Court. The ACC does not participate in any business-type activities.

The ACC does not have any component units, but it is considered to be a component unit of the City of Alexandria.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The ACC uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the ACC's most significant funds rather than the ACC as a whole.

The ACC has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund financial statements providing a distinct view of the ACC's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund ACC programs.

### ***Notes to the Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### **Financial Analysis of the Alexandria City Court as a Whole**

The ACC implemented the new financial reporting model used in this report beginning with the current fiscal year ending September 30, 2002. This change was the result of ACC being a financial component of the City of Alexandria. The City of Alexandria is required to change to the new financial reporting model contained in GASB 34 in their fiscal year ended April 30, 2003.

The financial analysis will not detail comparisons with prior years since this is the first year of implementation of the new reporting model.

The ACC's net assets as of September 30, 2002 are \$518,374. The following is a summary of the ACC's net assets, all of which are governmental activities:

	Governmental Activities
Cash	\$ 365,871
Investments at cost	125,000
Accrued interest receivable	202
Due from Alexandria City Marshal	10,492
Prepaid expenses	1,642
Capital assets	<u>29,497</u>
Total assets	<u>532,704</u>
Liabilities	<u>14,330</u>
Net assets:	
Invested in capital assets	29,497
Unrestricted	<u>488,877</u>
Total net assets	<u>\$ 518,374</u>

The ACC's net assets are sufficient for funding the operations of the ACC, and the ACC currently has no long-term or short-term debt. All liabilities are short term accounts payable, payroll taxes withheld, and amounts due to other governmental agencies.

### **Financial Analysis of the Alexandria City Court's Funds**

As discussed earlier, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable funds focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of \$495,682. This entire balance is unreserved and is available for future expenditures.

#### *Major governmental funds*

The General Fund is the primary operating fund of the ACC, and has an unrestricted and undesignated fund balance of \$282,800.

The Pre-Trial Intervention Fund is a special revenue fund of the ACC, and has an unrestricted and undesignated fund deficit of \$(25,966).

The Probation Fund is another special revenue fund of the ACC, and has an unrestricted and undesignated fund balance of \$238,848.



## Capital Assets

The ACC's investment in capital assets, net of depreciation is \$29,497 for governmental type funds. Assets consist mostly of office furniture and fixtures, vehicles and office and computer equipment. A summary of capital assets are as follows:

	Governmental <u>Activities</u>
Depreciable assets:	
Office furniture and fixtures	\$ 108,207
Office equipment	204,711
Vehicles	20,191
Building improvements	64,700
Accumulated depreciation	<u>(368,312)</u>
Total assets, net of accumulated depreciation	<u>\$ 29,497</u>

## Economic Factors

The operations of the Alexandria City Court are not affected by economic conditions. The ACC derives its revenues solely from fees levied by the Alexandria City Court. The City of Alexandria has maintained a stable population and there are no indications that the activity level of the court will decrease.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Alexandria City Court**  
**Statement of Net Assets**  
**September 30, 2002**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash	\$ 365,871	\$ -	\$ 365,871
Investments at cost	125,000	-	125,000
Accrued interest receivable	202	-	202
Due from Alexandria City Marshal	10,492	-	10,492
Prepaid expenses	1,642	-	1,642
Capital assets, net of accumulated depreciation	29,497	-	29,497
<b>Total assets</b>	<b>532,704</b>	<b>-</b>	<b>532,704</b>
<b><u>Liabilities</u></b>			
<b>Liabilities:</b>			
Accounts payable	3,501	-	3,501
Other liabilities	10,829	-	10,829
<b>Total liabilities</b>	<b>14,330</b>	<b>-</b>	<b>14,330</b>
<b><u>Net Assets</u></b>			
Unrestricted	518,374	-	518,374
<b>Total net assets</b>	<b>\$ 518,374</b>	<b>\$ -</b>	<b>\$ 518,374</b>

The notes to the financial statements are an integral part of this statement.

Statement of Activities  
Alexandria City Court  
For The Year Ended September 30, 2002

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>		<u>Primary Government</u>		
			<u>Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>GOVERNMENTAL ACTIVITIES</b>							
Primary Government							
Governmental activities							
General fund	\$184,058	\$167,985	\$ -	\$ -	\$ (16,073)	\$ -	\$ (16,073)
Pretrial Intervention	103,923	102,684	-	-	(1,239)	-	(1,239)
Probation Fund	45,624	135,279			89,655	-	89,655
Total governmental activities	<u>333,605</u>	<u>405,948</u>	<u>-</u>	<u>-</u>	<u>72,343</u>		<u>72,343</u>
Total primary government	<u>\$333,605</u>	<u>\$405,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,343</u>	<u>\$ -</u>	<u>\$ 72,343</u>
 Change in net assets for the year							
Net assets-beginning of year					72,343	-	72,343
Net assets-ending of year					480,691	-	480,691
					<u>\$ 553,034</u>	<u>\$ -</u>	<u>\$ 553,034</u>

The notes to the financial statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**Balance Sheet**  
**Governmental Funds**  
**Alexandria City Court**  
**September 30, 2002**

	<u>General</u>	<u>Pretrial Intervention</u>	<u>Probation</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash	\$ 136,990	\$ 26,336	\$ 202,545	\$ 365,871
Investments at cost	125,000	-	-	125,000
Accrued interest receivable	202	-	-	202
Prepaid expenses	-	-	1,642	1,642
Due from Alexandria City Marshal	10,492	-	-	10,492
Due from other funds	55,687	-	34,661	90,348
<b>Total assets</b>	<u><u>\$ 328,371</u></u>	<u><u>\$ 26,336</u></u>	<u><u>\$ 238,848</u></u>	<u><u>\$ 593,555</u></u>
<b><u>Liabilities and fund balance</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,501	\$ -	\$ -	\$ 3,501
Due to general fund	-	48,882	-	48,882
Due to probation fund	31,241	3,420	-	34,661
Other liabilities	10,829	-	-	10,829
<b>Total liabilities</b>	<u>45,571</u>	<u>52,302</u>	<u>-</u>	<u>97,873</u>
<b>Fund balance:</b>				
Unreserved:				
Undesignated	<u>282,800</u>	<u>(25,966)</u>	<u>238,848</u>	<u>495,682</u>
<b>Total fund balances</b>	<u>282,800</u>	<u>(25,966)</u>	<u>238,848</u>	<u>495,682</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 328,371</u></u>	<u><u>\$ 26,336</u></u>	<u><u>\$ 238,848</u></u>	<u><u>\$ 593,555</u></u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet  
of Governmental Funds  
to the Statement of Net Assets  
September 30, 2002**

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Total fund balance-total governmental funds	\$495,682
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$397,809, net of accumulated depreciation of (\$368,312), are not financial resources and, therefore, are not reported in the funds.	\$29,497
Internal service funds are used by management to charge the costs of certain activities to individual funds. Assets and liabilities of the internal services funds \$(6,805) are included in governmental activities in the statement of net assets.	<u>(6,805)</u>
	<u>\$ 22,692</u>
Net assets of governmental activities	<u><u>\$518,374</u></u>

The notes to the financial statements are an integral part of this statement



**Statement of Revenues, Expenditures, and Changes  
in Fund Balances-Governmental Funds  
Alexandria City Court  
for the year ended September 30, 2002**

	<b><u>General Fund</u></b>	<b><u>Pretrial Intervention</u></b>	<b><u>Probation</u></b>	<b><u>Total Governmental Funds</u></b>
<b>Revenues:</b>				
Court costs	\$ 153,552	\$ 102,551	\$ 133,816	\$ 389,919
Department of Public Safety-DWI	1,425	-	-	1,425
Other revenue	4,550	-	1,028	5,578
Interest	8,458	133	435	9,026
<b>Total revenues</b>	<u>167,985</u>	<u>102,684</u>	<u>135,279</u>	<u>405,948</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Fund	170,542	-	-	170,542
Pretrial Intervention	-	98,663	-	98,663
Probation	-	-	45,624	45,624
<b>Total expenditures</b>	<u>170,542</u>	<u>98,663</u>	<u>45,624</u>	<u>314,829</u>
<b>Excess of revenues over (under) expenditures</b>	(2,557)	4,021	89,655	91,119
<b>Fund balances, beginning</b>	<u>285,357</u>	<u>(29,987)</u>	<u>149,193</u>	<u>404,563</u>
<b>Fund balances, ending</b>	<u>\$ 282,800</u>	<u>\$ (25,966)</u>	<u>\$ 238,848</u>	<u>\$ 495,682</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of  
Revenues, Expenditures, and Changes in Fund Balance  
to the Statement of Activities  
For the year ended September 30, 2002**

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Net changes in fund balances-total governmental funds	\$ 91,119
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	<u>(18,776)</u>
Change in net assets of governmental activities	<u>\$ 72,343</u>

The notes to the financial statements are an integral part of this statement

## **FIDUCIARY FUND**

**Statement of Fiduciary Net Assets-Fiduciary Fund**  
**Alexandria City Court**  
**September 30, 2002**

	<b><u>Agency Funds</u></b>
<b><u>Assets</u></b>	
Cash	\$441,586
Investments at cost	15,000
Accrued interest receivable	3,506
Due from garnishee	<u>56</u>
<b>Total assets</b>	<b><u><u>\$460,148</u></u></b>
<b><u>Liabilities</u></b>	
Advance court costs	\$448,574
Garnishment collections	2,357
Due to General Fund	6,807
Due to other agencies	<u>2,410</u>
<b>Total liabilities</b>	<b><u><u>\$460,148</u></u></b>

The notes to the financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

These financial statements are presented in conformity with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies affecting their presentation.

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Alexandria City Marshal as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

*Fund Financial Statements*

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

**Reporting Entity** - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2002**

public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Alexandria City Court is a potential component unit of the City of Alexandria, Louisiana. However, the Alexandria City Court is a separate reportable entity from the City of Alexandria because it is essentially an autonomous unit. The City Judge, an elected official, has the ability to exercise accountability for fiscal matters. The Alexandria City Court is financially independent from the City of Alexandria, Louisiana.

*Governmental Funds -*

General Fund - The General Fund is the general operating fund of Alexandria City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Pretrial Intervention Fund – Fees are collected and used to pay for operating expenses of the Pretrial Intervention Program, which was established to help first time, non-criminal offenders avoid trial and pay the debt for their offense by agreeing to comply with probationary terms and paying a fee.

Probation Fund – Fees are collected and used to pay for operating expenses of the Probation Program, which was established to aid the Alexandria City Court in monitoring and compliance with probationary terms of those individuals who have been placed on probation by the judge.

*Fiduciary Funds -*

Agency Funds - Agency funds are used to account for assets held by Alexandria City Court as an agent for other governmental departments, other organizations and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Advance Court Costs Fund - Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. Thus, the activity in this account is not reflected in the statement of revenues collected and expenditures paid. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Garnishments Fund - The Court acts as a collection agent for garnishments when they are assessed in a civil suit. Ordinarily, the balance in this account represents amounts that have been received by the Court but have not yet been distributed to the person or agency to which they are due.

### **Basis of Accounting**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements report using the same focus and basis of accounting.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The Alexandria City Court has two fiduciary funds, agency funds, which are purely custodial and thus do not involve measurement of results of operations.

### **Cash and cash equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the city court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.



**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2002**

**Investments**

Investments are limited by R.S. 33:2955 and the City Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

**2. CASH AND INVESTMENTS:**

Cash balances are insured to Federal Depository Insurance Corporation limits of \$100,000. Deposits in excess of these limits are secured by collateral held in the pledging bank's trust department. These securities have a fair market value of \$259,560.

At September 30, 2002, the Alexandria City Court had certificates of deposit totaling \$125,000. The certificates bear interest ranging from 2.47% to 3.00% and have maturities ranging from six months to one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**3. COURT COSTS PAYABLE:**

These various liabilities represent charges against advance court costs deposited for each case and are based on the processing of the case by the judge and/or marshal. As activity occurs in the suit, the advance court costs account is decreased and the related liability account is increased.

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2002**

**4. INTERFUND RECEIVABLES AND PAYABLES:**

A summary of the interfund receivables and payables by fund at September 30, 2002, is presented below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Advance Court Costs Fund	\$ 0	\$ 6,807
General Fund	55,687	31,241
Pretrial Intervention Fund	0	52,300
Probation Fund	<u>34,661</u>	<u>0</u>
	<u>\$ 90,348</u>	<u>\$ 90,348</u>

**5. CAPITAL ASSETS:**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

**Alexandria City Court  
Notes to Financial Statements**

**September 30, 2002**

Capital asset activity for the year ended September 30, 2002 was as follows:

	Balance <u>9/30/01</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/02</u>
Furniture and fixtures	\$ 98,803	\$ 9,404	\$ -0-	\$ 108,207
Office equipment	198,214	6,497	-0-	204,712
Vehicles	20,191	-0-	-0-	20,191
Building improvements	<u>64,700</u>	<u>-0-</u>	<u>-0-</u>	<u>64,700</u>
Totals	381,908	15,901	-0-	397,810
Accumulated Depreciation	<u>(349,536)</u>	<u>( 18,776)</u>	<u>-0-</u>	<u>(318,312)</u>
Capital assets, net	<u>\$ 32,372</u>			<u>\$ 29,498</u>

**6. COMPENSATED ABSENCES:**

The Alexandria City Court's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of September 30, 2002, and thus, is not recognized in the accompanying financial statements.

**7. ECONOMIC DEPENDENCY:**

All revenues collected for Court Costs are received from the Alexandria City Marshal's office. These monies are expended in the operation of the office of the Alexandria City Court.

**8. RETIREMENT COMMITMENTS:**

The Alexandria City Court contributed \$1,539 this year to the Parochial Employees' Retirement System of Louisiana on behalf of qualifying individuals employed by the Court. There were six employees of the Court of which one qualified and participated. The Court's covered payroll was \$19,860, and the total payroll for all employees was \$61,557. The participant contributed \$1,887.

**Alexandria City Court**  
**Notes to Financial Statements**

**September 30, 2002**

The Parochial Employees' Retirement System of Louisiana required the Court to fund 7.75% and the participants to fund 9.50% of total salary. No actuarial data was available on the aforementioned retirement plan.

9. **INDIVIDUAL NEGATIVE FUND BALANCE**

At September 30, 2002, the Pretrial Intervention Fund in the special revenues funds had a negative fund balance of \$25,965. Management expects future collections of pretrial intervention program fees to liquidate this negative balance.



# OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)

## CERTIFIED PUBLIC ACCOUNTANTS

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### **Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

To the Honorable Judge Richard Starling, Jr.  
Alexandria City Court  
Alexandria, Louisiana

We have audited the basic financial statements of Alexandria City Court, Alexandria, Louisiana, as of and for the year ended September 30, 2002, and have issued our report thereon dated January 27, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Alexandria City Court's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as item 2002-01.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered Alexandria City Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the



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Registered Representative

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design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

  
OESTRICHER & COMPANY  
Certified Public Accountants

January 27, 2003

**ALEXANDRIA CITY COURT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended September 30, 2002**

***Section I-Summary of Auditor's Reports***

We have audited the basic financial statements of the Alexandria City Court as of and for the year ended September 30, 2002, and have issued our report thereon dated January 27, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2002 resulted in an unqualified opinion. No management letter was issued for the year ended September 30, 2002.

Our audit disclosed one instance of non-compliance that is considered to be a reportable condition. This is summarized in section II as finding 2002-01.

***Section II - Financial Statement Findings***

***Report on Internal Control and Compliance Material to the Financial Statements***

**Finding 2002-01**

*Statement of Condition:* The Alexandria City Court did not adopt a budget for the year ended September 30, 2002 as required by LSA-R.S. 39:1303.

*Cause of Condition:* The Alexandria City Court was unaware that it was required to adopt a budget.

*Recommendation:* The Alexandria City Court should adopt a budget in future years.

***Section III – Federal Awards Findings and Questioned Costs***

There were no federal awards.

Alexandria City Court  
P.O. Box 30  
Alexandria, LA 71301

January 27, 2003

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Alexandria City Court respectfully submits the following corrective action plan for the year ended September 30, 2002.

Name and address of contact person: Richard Starling, Jr., Alexandria City Judge, P.O. Box 30, Alexandria, Louisiana 71301.

Name and address of independent public accounting firm: Oestrieher and Company, CPAs, 4641 Windermere Place, Alexandria, Louisiana 71303-3548

Audit period: October 1, 2001 through September 30, 2002.

The finding from the Schedule of Findings and Questioned Costs are discussed below. The finding is numbered consistently with the number assigned in the schedule. The Summary of Audit Results does not include findings and is not addressed.

## FINDINGS-FINANCIAL STATEMENT AUDIT

### FINDING NO. 2002-01:

*Recommendation:* The City Court should adopt a budget in accordance with LA R.S. 39:1303.

*Action Taken:* The City Court will adopt a budget for the year ending September 30, 2003 by May 31, 2003 and the City Court will adopt a budget for the years ending thereafter within the deadlines prescribed.



**Alexandria City Court**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2002**

*Section I - Internal Control and Compliance Material to the Financial Statements*

There were no findings for the year ended September 30, 2001.

*Section II - Internal Control and Compliance Material to Federal Awards*

Not applicable.

*Section III – Federal Awards Findings and Questioned Costs*

There were no federal awards.